(Original Signature of Member)
115TH CONGRESS H.R.
To extend the National Flood Insurance Program, and for other purposes.
IN THE HOUSE OF REPRESENTATIVES
Mr. Royce of California (for himself and M) introduced the following bill; which was referred to the Committee of
A BILL
To extend the National Flood Insurance Program, and for other purposes.
1 Be it enacted by the Senate and House of Representa
2 tives of the United States of America in Congress assembled
3 SECTION 1. SHORT TITLE.
4 This Act may be cited as the "National Flood Insur
5 ance Program Extension and Enhanced Consumer and
6 Community Protections Act of 2018".

1	SEC. 2. EXTENSION OF NATIONAL FLOOD INSURANCE PRO-
2	GRAM.
3	(a) Financing.—Section 1309(a) of the National
4	Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is
5	amended by striking "September 30, 2017" and inserting
6	"November 30, 2018".
7	(b) Program Expiration.—Section 1319 of the Na-
8	tional Flood Insurance Act of 1968 (42 U.S.C. 4026) is
9	amended by striking "September 30, 2017" and inserting
10	"November 30, 2018".
11	SEC. 3. COMMUNITY ACCOUNTABILITY FOR REPETITIVELY
12	FLOODED AREAS.
13	(a) In General.—Section 1361 of the National
14	Flood Insurance Act of 1968 (42 U.S.C. 4102) is amended
15	by adding at the end the following new subsection:
16	"(e) Community Accountability for Repet-
17	ITIVELY DAMAGED AREAS.—
18	"(1) In general.—The Administrator shall,
19	by regulation, require any covered community (as
20	such term is defined in paragraph (5))—
21	"(A) to identify the areas within the com-
22	munity where properties described in paragraph
23	(5)(B) or flood-damaged facilities are located to
24	determine areas repeatedly damaged by floods
25	and to assess, with assistance from the Admin-
26	istrator, the continuing risks to such areas;

1	"(B) to develop a community-specific plan
2	for mitigating continuing flood risks to such re-
3	petitively flooded areas and to submit such plan
4	and plan updates to the Administrator at ap-
5	propriate intervals;
6	"(C) to implement such plans; and
7	"(D) to make such plan, plan updates, and
8	reports on progress in reducing flood risk avail-
9	able to the public, subject to section 552a of
10	title 5, United States Code.
11	"(2) Incorporation into existing plans.—
12	Plans developed pursuant to paragraph (1) may be
13	incorporated into mitigation plans developed under
14	section 1366 of this Act (42 U.S.C. 4104c) and haz-
15	ard mitigation plans developed under section 322 of
16	the Robert T. Stafford Disaster Relief and Emer-
17	gency Assistance Act (42 U.S.C. 5165).
18	"(3) Assistance to communities.—
19	"(A) Data.—To assist communities in
20	preparation of plans required under paragraph
21	(1), the Administrator shall, upon request, pro-
22	vide covered communities with appropriate data
23	regarding the property addresses and dates of
24	claims associated with insured properties within
25	the community.

1	"(B) MITIGATION GRANTS.—In making de-
2	terminations regarding financial assistance
3	under the authorities of this Act, the Adminis-
4	trator may consider the extent to which a com-
5	munity has complied with this subsection and is
6	working to remedy problems with addressing re-
7	peatedly flooded areas.
8	"(4) Sanctions.—
9	"(A) IN GENERAL.—The Administrator
10	shall, by regulations issued in accordance with
11	the procedures established under section 553 of
12	title 5, United States Code, regarding sub-
13	stantive rules, provide appropriate sanctions for
14	covered communities that fail to comply with
15	the requirements under this subsection or to
16	make sufficient progress in reducing the flood
17	risks to areas in the community that are repeat-
18	edly damaged by floods.
19	"(B) Notice.—Before imposing any sanc-
20	tion pursuant to this paragraph, the Adminis-
21	trator shall provide the covered community in-
22	volved with notice of the non-compliance that
23	could result in the imposition of sanctions,
24	which shall include recommendations for actions

1	to bring the covered community into compli-
2	ance.
3	"(C) Considerations.—In determining
4	appropriate sanctions to impose under this
5	paragraph, the Administrator shall consider the
6	resources available to the covered community
7	involved, including Federal funding, the portion
8	of the covered community that lies within an
9	area having special flood hazards, and other
10	factors that make it difficult for the covered
11	community to conduct mitigation activities for
12	existing flood-prone structures.
13	"(5) COVERED COMMUNITY.—For purposes of
14	this subsection, the term 'covered community' means
15	a community—
16	"(A) that is participating, pursuant to sec-
17	tion 1315, in the national flood insurance pro-
18	gram; and
19	"(B) within which are located—
20	"(i) 50 or more repetitive loss struc-
21	tures for each of which, during any 10-
22	year period, two or more claims for pay-
23	ments under flood insurance coverage have
24	been made with a cumulative amount ex-
25	ceeding \$1,000;

1	"(ii) 5 or more severe repetitive loss
2	structures (as such term is defined in sec-
3	tion 1366(h)) for which mitigation activi-
4	ties meeting the standards for approval
5	under section $1366(c)(2)(A)$ have not been
6	conducted; or
7	"(iii) a public facility or a private
8	nonprofit facility (as such terms are as de-
9	fined in section 102 of the Robert T. Staf-
10	ford Disaster Relief and Emergency Assist-
11	ance Act (42 U.S.C. 5122)), that has re-
12	ceived assistance for repair, restoration, re-
13	construction, or replacement under section
14	406 of the Robert T. Stafford Disaster Re-
15	lief and Emergency Assistance Act (42
16	U.S.C. 5172) in connection with more than
17	one flooding event in the most recent 10-
18	year period.
19	"(6) Repetitive-loss structure.—For pur-
20	poses of this subsection, the term 'repetitive loss
21	structure' has the meaning given such term in sec-
22	tion 1370 (42 U.S.C. 4121).
23	"(7) Reports to congress.—Not later than
24	the expiration of the 6-year period beginning upon
25	the date of the enactment of this subsection, and not

1	less than every 2 years thereafter, the Administrator
2	shall submit a report to the Congress regarding the
3	progress in implementing plans developed pursuant
4	to paragraph (1)(B).".
5	(b) REGULATIONS.—The Administrator of the Fed-
6	eral Emergency Management Agency shall issue regula-
7	tions necessary to carry out subsection (e) of section 1361
8	of the National Flood Insurance Act of 1968, as added
9	by the amendment made by subsection (a) of this section
10	not later than the expiration of the 12-month period that
11	begins on the date of the enactment of this Act.
12	SEC. 4. INCREASED COST OF COMPLIANCE.
13	(a) In General.—Section 1304(b) of the National
14	Flood Insurance Act of 1968 (42 U.S.C. 4011(b)) is
15	amended—
16	(1) in paragraph (4), by redesignating subpara-
17	graphs (A) through (D) as clauses (i) through (iv)
18	respectively, and adjusting the margins accordingly
19	(2) by redesignating paragraphs (1) through
20	(4) as subparagraphs (A) through (D), respectively
21	and adjusting the margins accordingly;
22	(3) in the matter preceding subparagraph (A)
23	as so redesignated, by striking "The national" and
24	inserting the following:
25	"(1) IN GENERAL.—The national";

1	(4) in paragraph (1), as so designated—
2	(A) in subparagraph (A), as so redesig-
3	nated, by inserting ", without regard to whether
4	the property is in an area having special flood
5	hazards" after "loss structures";
6	(B) in subparagraph (C), as so redesig-
7	nated, by striking the period at the end and in-
8	serting a semicolon;
9	(C) in subparagraph (D), as so redesig-
10	nated—
11	(i) in the matter preceding clause (i),
12	as so redesignated, by inserting "subject to
13	paragraph (2)," before "properties for
14	which"; and
15	(ii) in clause (iv), as so redesignated,
16	by striking the period at the end and in-
17	serting "; and; and
18	(D) by adding at the end the following:
19	"(E) a property outside an area having
20	special flood hazards if the community, under
21	section 1361, has established land use and con-
22	trol measures for the area in which the property
23	is located."; and

1	(5) by striking the flush text following para-
2	graph (1)(E), as added by paragraph (4)(D) of this
3	subsection, and inserting the following:
4	"(2) Use of funds for mitigation
5	PROJECTS.—The Administrator shall allow a policy-
6	holder to use insurance purchased under this sub-
7	section for any eligible project costs under a pro-
8	gram described in clause (i), (ii), or (iii) of para-
9	graph (1)(D) of an acquisition, demolition, elevation,
10	relocation, or small structural project funded under
11	that program, including—
12	"(A) asbestos remediation;
13	"(B) the demolition of a driveway or side-
14	walk when a structure is acquired; and
15	"(C) the addition of a lift, ramp, or other
16	device that is necessary for a homeowner or oc-
17	cupant with a physical limitation or disability to
18	safely access a home that has been elevated.
19	"(3) Surcharges.—
20	"(A) Primary Coverage.—The Adminis-
21	trator shall impose a surcharge on each insured
22	of an amount per policy that the Administrator
23	determines is appropriate in order to provide
24	cost of compliance coverage in accordance with
25	paragraph $(4)(A)$.

1	"(B) Enhanced coverage.—For each
2	policy for flood insurance made available under
3	this title with respect to which enhanced cov-
4	erage is provided under paragraph (4)(B), the
5	Administrator shall impose a surcharge, in ad-
6	dition to the surcharge imposed under subpara-
7	graph (A), in an amount that the Administrator
8	determines appropriate.
9	"(4) Amount of Coverage.—
10	"(A) Primary Coverage.—Each policy
11	for flood insurance coverage made available
12	under this title shall provide coverage under
13	this subsection having an aggregate liability for
14	any single property of \$60,000.
15	"(B) Enhanced coverage.—Notwith-
16	standing the limitation under subparagraph
17	(A), the Administrator shall provide, upon re-
18	quest by a policyholder, enhanced coverage
19	under this subsection having an aggregate li-
20	ability for any single property in an amount
21	that is not more than \$100,000.
22	"(5) Treatment of coverage limits.—The
23	purchase of insurance under this subsection with re-
24	spect to a property shall not be counted for the pur-

1	poses of any limitation on coverage with respect to
2	that property under section 1306(b).".
3	(b) Technical and Conforming Amendment.—
4	Not later than 1 year after the date of enactment of this
5	Act, the Administrator of the Federal Emergency Manage-
6	ment Agency shall amend the Standard Flood Insurance
7	Policy set forth in appendix A to part 61 of title 44, Code
8	of Federal Regulations, to conform the item relating to
9	"Coverage D—Increased Cost of Compliance" to the cov-
10	erage limitations described in subparagraphs (A) and (B)
11	of section 1304(b)(4) of the National Flood Insurance Act
12	of 1968 (42 U.S.C. 4011(b)(4)), as added by subsection
13	(a)(5) of this section.
14	SEC. 5. MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.
15	(a) Authority.—Subsection (g) of section 1308 of
16	the National Flood Insurance Act of 1968 (42 U.S.C.
17	4015(g)) is amended—
18	(1) by striking the subsection designation and
19	all that follows through "With respect" and insert-
20	ing the following:
21	"(g) Frequency of Premium Collection.—
22	"(1) OPTIONS.—With respect"; and
23	(2) by adding at the end the following:
24	"(2) Monthly installment payment of
25	PREMIUMS.—

1	"(A) Exemption from rulemaking.—
2	Until such time as the Administrator promul-
3	gates regulations implementing paragraph (1)
4	of this subsection, the Administrator may adopt
5	policies and procedures, notwithstanding any
6	other provisions of law and in alignment and
7	consistent with existing industry escrow and
8	servicing standards, necessary to implement
9	such paragraph without undergoing notice and
10	comment rulemaking and without conducting
11	regulatory analyses otherwise required by stat-
12	ute, regulation, or Executive order.
13	"(B) PILOT PROGRAM.—The Adminis-
14	trator may initially implement paragraph (1) of
15	this subsection as a pilot program that provides
16	for a gradual phase-in of implementation.
17	"(C) POLICYHOLDER PROTECTION.—The
18	Administrator may—
19	"(i) during the 12-month period be-
20	ginning on the date of the enactment of
21	this subparagraph, charge policyholders
22	choosing to pay premiums in monthly in-
23	stallments a fee for the total cost of the
24	monthly collection of premiums not to ex-
25	ceed \$25 annually; and

1	"(ii) after the expiration of the 12-
2	month period referred to in clause (i), ad-
3	just the fee charged annually to cover the
4	total cost of the monthly collection of pre-
5	miums as determined by the report sub-
6	mitted pursuant to subparagraph (D).
7	"(D) Report.—Not later than six months
8	after the date of the enactment of this para-
9	graph, the Comptroller General shall submit a
10	report to the Committee on Financial Services
11	of the House of Representatives and the Com-
12	mittee on Banking, Housing, and Urban Affairs
13	of the Senate, that sets forth all of the costs as-
14	sociated with the monthly payment of pre-
15	miums, including any up-front costs associated
16	with infrastructure development, the impact on
17	all policyholders including those that exercise
18	the option to pay monthly and those that do
19	not, options for minimizing the costs, particu-
20	larly the costs to policyholders, and the feasi-
21	bility of adopting practices that serve to mini-
22	mize costs to policyholders such as automatic
23	payments and electronic payments.
24	"(E) Annual reports.—On an annual
25	basis, the Administrator shall report to the

1	Committee on Financial Services of the House
2	of Representatives and the Committee on Bank-
3	ing, Housing, and Urban Affairs of the Senate
4	the ongoing costs associated with the monthly
5	payment of premiums.".
6	(b) Implementation.—Clause (ii) of section
7	1307(a)(1)(B) of the National Flood Insurance Act of
8	1968 (42 U.S.C. 4014(a)(1)(B)(ii)) is amended by insert-
9	ing before "any administrative expenses" the following:
10	"the costs associated with the monthly collection of pre-
11	miums provided for in section 1308(g) (42 U.S.C.
12	4015(g)), but only if such costs exceed the operating costs
13	and allowances set forth in clause (i) of this subparagraph,
14	and".
1415	and". SEC. 6. PREMIUM RATES FOR CERTAIN MITIGATED PROP-
15	SEC. 6. PREMIUM RATES FOR CERTAIN MITIGATED PROP-
15 16 17	SEC. 6. PREMIUM RATES FOR CERTAIN MITIGATED PROP- ERTIES.
15 16 17	SEC. 6. PREMIUM RATES FOR CERTAIN MITIGATED PROP- ERTIES. (a) MITIGATION STRATEGIES.—Paragraph (1) of sec-
15 16 17 18	SEC. 6. PREMIUM RATES FOR CERTAIN MITIGATED PROPERTIES. (a) MITIGATION STRATEGIES.—Paragraph (1) of section 1361(d) of the National Flood Insurance Act of 1968
15 16 17 18 19	SEC. 6. PREMIUM RATES FOR CERTAIN MITIGATED PROPERTIES. (a) MITIGATION STRATEGIES.—Paragraph (1) of section 1361(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4102(d)(1)) is amended—
15 16 17 18 19 20	SEC. 6. PREMIUM RATES FOR CERTAIN MITIGATED PROP- ERTIES. (a) MITIGATION STRATEGIES.—Paragraph (1) of sec- tion 1361(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4102(d)(1)) is amended— (1) in subparagraph (A), by striking "and" at
15 16 17 18 19 20 21	SEC. 6. PREMIUM RATES FOR CERTAIN MITIGATED PROPERTIES. (a) MITIGATION STRATEGIES.—Paragraph (1) of section 1361(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4102(d)(1)) is amended— (1) in subparagraph (A), by striking "and" at the end;
15 16 17 18 19 20 21 22	SEC. 6. PREMIUM RATES FOR CERTAIN MITIGATED PROP- ERTIES. (a) MITIGATION STRATEGIES.—Paragraph (1) of sec- tion 1361(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4102(d)(1)) is amended— (1) in subparagraph (A), by striking "and" at the end; (2) in subparagraph (B), by striking "and" at

1	"(C) with respect to buildings in dense
2	urban environments, methods that can be de-
3	ployed on a block or neighborhood scale; and
4	"(D) elevation of mechanical systems;
5	and".
6	(b) MITIGATION CREDIT.—Subsection (k) of section
7	1308 of the National Flood Insurance Act of 1968 (42
8	U.S.C. 4015(k)) is amended—
9	(1) by striking "shall take into account" and
10	inserting the following: "shall—
11	"(1) take into account";
12	(2) in paragraph (1), as so designated by the
13	amendment made by paragraph (1) of this sub-
14	section, by striking the period at the end and insert-
15	ing "; and; and
16	(3) by adding at the end the following new
17	paragraph:
18	"(2) offer a reduction of the risk premium rate
19	charged to a policyholder, as determined by the Ad-
20	ministrator, if the policyholder implements any miti-
21	gation method described in paragraph (1).".

1	SEC. 7. PROVISION OF COMMUNITY RATING SYSTEM PRE-
2	MIUM CREDITS TO MAXIMUM NUMBER OF
3	COMMUNITIES PRACTICABLE.
4	Subsection (b) of section 1315 of the National Flood
5	Insurance Act of 1968 (42 U.S.C. 4022(b)) is amended—
6	(1) in paragraph (2), by striking "may" and in-
7	serting "shall"; and
8	(2) in paragraph (3), by inserting ", and the
9	Administrator shall provide credits to the maximum
10	number of communities practicable" after "under
11	this program".
12	SEC. 8. PARTICIPATION STUDIES.
13	(a) Federal Entities for Lending Regula-
14	TION.—
15	(1) In general.—The Federal entities for
16	lending regulation shall conduct an annual study re-
17	garding the rate at which persons who are subject
18	to the mandatory purchase requirement are com-
19	plying with that requirement.
20	(2) Submission to congress.—The Federal
21	entities for lending regulation shall submit the result
22	of each study conducted under paragraph (1) to the
23	appropriate committees of Congress.
24	(b) FEMA.—
25	(1) In General.—The Administrator of the
26	Federal Emergency Management Agency shall con-

1	duct an annual study regarding the rate at which in-
2	dividuals who live in areas that have not been identi-
3	fied, under the National Flood Insurance Act of
4	1968 (42 U.S.C. 4001 et seq.) or the Flood Disaster
5	Protection Act of 1973 (42 U.S.C. 4002 et seq.), as
6	having a special flood hazard participate in, or re-
7	ceive financial assistance under, the National Flood
8	Insurance Program.
9	(2) Submission to congress.—The Adminis-
10	trator shall submit the result of each study con-
11	ducted under paragraph (1) to the appropriate com-
12	mittees of Congress.
13	(c) GAO.—
14	(1) IN GENERAL.—The Comptroller General of
15	the United States shall conduct a study of the imple-
16	mentation and efficacy of the requirements of sec-
17	tion 102 of the Flood Disaster Protection Act of
18	1973 (42 U.S.C. 4012a). Such study shall at min-
19	imum consider the following questions:
20	(A) How effectively do Federal agencies,
21	regulated lending institutions, and Federal enti-
22	ties for lending regulation implement the re-
23	quirements of section 102 of the Flood Disaster
24	Protection Act of 1973?

1	(B) Does the current implementation of
2	Flood Disaster Protection Act of 1973 align
3	with the congressional findings and purposes
4	described in section 2(b) of such Act (42 U.S.C.
5	4002)?
6	(C) What is the current level of compliance
7	with section 102?
8	(D) What are the estimated historical im-
9	pacts on revenue to the National Flood Insur-
10	ance Program based on the current level of
11	compliance of section 102?
12	(E) Is the current monitoring and tracking
13	framework in place sufficient to ensure compli-
14	ance with section 102?
15	(F) What is the best way to establish a
16	consolidated, comprehensive, and accurate re-
17	pository of data on compliance with section
18	102?
19	(G) What, if any, unintended consequeces
20	have resulted from the requirements and imple-
21	mentation of section 102?
22	(H) How can Federal agencies and regu-
23	lated lending institutions improve compliance
24	with section 102?

1	(2) Report.—Not later than the expiration of
2	the 18-month period beginning on the date of the
3	enactment of this Act, the Comptroller General shall
4	submit a report to the Committee on Financial Serv-
5	ices of the House of Representatives and the Com-
6	mittee on Banking, Housing, and Urban Affairs of
7	the Senate regarding the findings and conclusions of
8	the study conducted pursuant to this subsection.
9	SEC. 9. DISCLOSURE OF FLOOD RISK INFORMATION UPON
10	TRANSFER OF PROPERTY.
11	(a) In General.—Chapter 1 of the National Flood
12	Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amend-
13	ed by adding at the end the following new section:
	ed by adding at the end the following new section: "SEC. 1326. DISCLOSURE OF FLOOD RISK INFORMATION
13	·
13 14	"SEC. 1326. DISCLOSURE OF FLOOD RISK INFORMATION
13 14 15	"SEC. 1326. DISCLOSURE OF FLOOD RISK INFORMATION UPON TRANSFER OF PROPERTY.
13 14 15 16 17	"SEC. 1326. DISCLOSURE OF FLOOD RISK INFORMATION UPON TRANSFER OF PROPERTY. "(a) REQUIREMENT FOR PARTICIPATION IN PRO-
13 14 15 16 17	"SEC. 1326. DISCLOSURE OF FLOOD RISK INFORMATION UPON TRANSFER OF PROPERTY. "(a) REQUIREMENT FOR PARTICIPATION IN PROGRAM.—After September 30, 2022, no new flood insurance coverage may be provided under this title for any
13 14 15 16 17 18	"SEC. 1326. DISCLOSURE OF FLOOD RISK INFORMATION UPON TRANSFER OF PROPERTY. "(a) REQUIREMENT FOR PARTICIPATION IN PROGRAM.—After September 30, 2022, no new flood insurance coverage may be provided under this title for any
13 14 15 16 17 18	"SEC. 1326. DISCLOSURE OF FLOOD RISK INFORMATION UPON TRANSFER OF PROPERTY. "(a) REQUIREMENT FOR PARTICIPATION IN PROGRAM.—After September 30, 2022, no new flood insurance coverage may be provided under this title for any real property located in any area (or subdivision thereof)
13 14 15 16 17 18 19 20	"SEC. 1326. DISCLOSURE OF FLOOD RISK INFORMATION UPON TRANSFER OF PROPERTY. "(a) REQUIREMENT FOR PARTICIPATION IN PROGRAM.—After September 30, 2022, no new flood insurance coverage may be provided under this title for any real property located in any area (or subdivision thereof) unless an appropriate body has imposed, by statute or reg-
13 14 15 16 17 18 19 20 21	"SEC. 1326. DISCLOSURE OF FLOOD RISK INFORMATION UPON TRANSFER OF PROPERTY. "(a) REQUIREMENT FOR PARTICIPATION IN PROGRAM.—After September 30, 2022, no new flood insurance coverage may be provided under this title for any real property located in any area (or subdivision thereof) unless an appropriate body has imposed, by statute or regulation, a duty on any seller or lessor of improved real
13 14 15 16 17 18 19 20 21	"SEC. 1326. DISCLOSURE OF FLOOD RISK INFORMATION UPON TRANSFER OF PROPERTY. "(a) REQUIREMENT FOR PARTICIPATION IN PROGRAM.—After September 30, 2022, no new flood insurance coverage may be provided under this title for any real property located in any area (or subdivision thereof) unless an appropriate body has imposed, by statute or regulation, a duty on any seller or lessor of improved real estate located in such area to provide to any purchaser

1	"(b) Disclosure Requirements.—A property
2	flood hazard disclosure for a property shall meet the re-
3	quirements of this subsection only if the disclosure—
4	"(1) is made in writing;
5	"(2) discloses any actual knowledge of the seller
6	or lessor of—
7	"(A) prior physical damage caused by flood
8	to any building located on the property;
9	"(B) prior insurance claims for losses cov-
10	ered under the National Flood Insurance Pro-
11	gram or private flood insurance with respect to
12	such property;
13	"(C) any previous notification regarding
14	the designation of the property as a multiple
15	loss property; and
16	"(D) any Federal legal obligation to obtain
17	and maintain flood insurance running with the
18	property, such as any obligation due to a pre-
19	vious form of disaster assistance under the
20	Robert T. Stafford Disaster Relief and Emer-
21	gency Assistance Act received by any owner of
22	the property; and
23	"(3) is delivered by or on behalf of the seller or
24	lessor to the purchaser or lessee before such pur-

1	chaser or lessee becomes obligated under any con-
2	tract for purchase or lease of the property.".
3	(b) AVAILABILITY OF FLOOD INSURANCE COV-
4	ERAGE.—Subsection (c) of section 1305 of the National
5	Flood Insurance Act of 1968 (42 U.S.C. 4012(e)) is
6	amended—
7	(1) in paragraph (1), by striking "and" at the
8	end;
9	(2) in paragraph (2), by striking the period at
10	the end and inserting "; and; and
11	(3) by adding at the end the following new
12	paragraph:
13	"(3) given satisfactory assurance that by Sep-
14	tember 30, 2022, property flood hazard disclosure
15	requirements will have been adopted for the area
16	that meet the requirements of section 1326.".
17	SEC. 10. GAO STUDY REGARDING BUYOUT PRACTICES.
18	(a) Definitions.—In this section—
19	(1) the term "Administrator" means the Ad-
20	ministrator of the Federal Emergency Management
21	Agency;
22	(2) the term "appropriate committees of Con-
23	gress" means—
24	(A) the Committee on Banking, Housing,
25	and Urban Affairs of the Senate;

1	(B) the Committee on Homeland Security
2	and Governmental Affairs of the Senate;
3	(C) the Committee on Financial Services of
4	the House of Representatives; and
5	(D) the Committee on Transportation and
6	Infrastructure of the House of Representatives;
7	(3) the terms "buyout practice" and "buyout
8	program" mean a practice or program, as applicable,
9	under which the Administrator provides assistance
10	to State and local governments so that those entities
11	may acquire flood-damaged properties committed to
12	open space use in perpetuity in accordance with sec-
13	tion 404(b)(2) of the Robert T. Stafford Disaster
14	Relief and Emergency Assistance Act (42 U.S.C.
15	5170c(b)(2));
16	(4) the term "eligible property owner" means a
17	policyholder under the National Flood Insurance
18	Program with a household income that is not more
19	than 120 percent of the mean household income for
20	the community in which the primary residence of the
21	policyholder is located;
22	(5) the term "National Flood Insurance Pro-
23	gram" means the program established under the Na-
24	tional Flood Insurance Act of 1968 (42 U.S.C. 4001
25	et seq.);

1	(6) the term "repetitive loss structure" has the
2	meaning given the term in section 1370(a) of the
3	National Flood Insurance Act of 1968 (42 U.S.C.
4	4121(a)); and
5	(7) the term "severe repetitive loss structure"
6	has the meaning given the term in section 1366(h)
7	of the National Flood Insurance Act of 1968 (42
8	U.S.C. $4104e(h)$).
9	(b) STUDY REQUIRED.—The Comptroller General of
10	the United States shall conduct a study to assess—
11	(1) the efficacy of buyout practices, as in effect
12	on the date on which the study is conducted; and
13	(2) ways to streamline the buyout practices de-
14	scribed in paragraph (1) in order to provide more
15	timely assistance to a larger number of State and
16	local governments.
17	(c) Considerations and Analysis.—The study
18	conducted under subsection (b) shall consider and analyze
19	the following:
20	(1) To the extent possible, current (as of the
21	date on which the study is conducted) and future
22	trends with respect to repetitive loss structures and
23	severe repetitive loss structures that are insured
24	under the National Flood Insurance Program, in-

1	cluding, with respect to both inland and coastal
2	areas—
3	(A) changes in flood risk, flood frequency,
4	and flood magnitude since the inception of the
5	National Flood Insurance Program; and
6	(B) projections for changes in flood risk,
7	flood frequency, and flood magnitude by 2025,
8	2050, and 2075.
9	(2) To the extent possible, buyout practices (as
10	of the date on which the study is conducted), includ-
11	ing—
12	(A) the availability of funding sources for
13	buyout programs through various grant pro-
14	grams;
15	(B) the total number of properties ac-
16	quired though buyout programs;
17	(C) the average length of time for a State
18	or local government to acquire a flood-damaged
19	property under a buyout program, with that pe-
20	riod beginning on the date on which the State
21	or local government, as applicable, begins par-
22	ticipating in the buyout program;
23	(D) an estimate of the number of flood-
24	damaged properties that could be acquired from
25	willing property owners under buyout programs

1	with the full cooperation of State and local gov-
2	ernments;
3	(E) the socioeconomic status of recipients
4	of buyouts under buyout programs; and
5	(F) examples of successful buyout pro-
6	grams, including best practices employed.
7	(3) Administrative, financial, or temporal con-
8	straints that may impede the timely acquisition of
9	properties under a buyout program, including—
10	(A) a lack of communication or coopera-
11	tion between the Administrator and the State
12	and local governments that purchase properties
13	under a buyout program;
14	(B) pressures to redevelop a property after
15	acquiring a property through a buyout pro-
16	gram; and
17	(C) a lack of adequate funding.
18	(4) Potential options, methods, and strategies
19	to address the constraints identified under para-
20	graph (3), including evaluating the feasibility of—
21	(A) a pilot program under which—
22	(i) an eligible property owner may
23	agree, before a flood event occurs, to have
24	the primary single-family residence of the
25	eligible property owner purchased after the

1	residence has been substantially damaged
2	by a flood;
3	(ii) the Administrator may provide—
4	(I) financial assistance to State
5	and local governments that are willing
6	to participate in the program to pur-
7	chase and acquire the properties of
8	owners that have incurred substantial
9	damage from a flood event; and
10	(II) a premium credit as an in-
11	centive to eligible property owners to
12	agree to participate in the program;
13	(iii) properties that are acquired—
14	(I) shall be maintained as open
15	space in accordance with section
16	404(b)(2) of the Robert T. Stafford
17	Disaster Relief and Emergency Assist-
18	ance Act (42 U.S.C. 5170c(b)(2));
19	and
20	(II) may be used for non-struc-
21	tural mitigation, conservation, and
22	recreational purposes; and
23	(iv) not fewer than 5 and not more
24	than 10 State and local governments shall
25	participate; and

1	(B) the role that nonprofit organizations
2	could play in making buyouts more readily
3	available or more efficient, similar to the role
4	that those organizations play in the acquisition
5	of properties for conservation purposes.
6	(5) The ecological, financial, and flood risk re-
7	duction benefits that buyout practices, as in effect
8	on the date on which the study is conducted, pro-
9	vide, which shall—
10	(A) take into account the differences be-
11	tween inland and coastal areas; and
12	(B) include—
13	(i) examples in which ecosystem res-
14	toration and other nature-based ap-
15	proaches have enhanced the reduction of
16	flood risk; and
17	(ii) recommendations for best prac-
18	tices.
19	(6) To the extent possible, an assessment of
20	how the Administrator may use buyout programs to
21	reduce future flood disaster recovery costs that are
22	attributable to future projections of flood risk as a
23	result of sea level rise, population changes, subsid-
24	ence, and other factors.

1	(7) A cost-benefit analysis of mitigation and
2	buy-out projects and programs, including an assess-
3	ment of opportunities and challenges for leveraging
4	different Federal resources and funding to maximize
5	the value of Federal investment in disaster mitiga-
6	tion.
7	(d) Report.—
8	(1) In general.—Not later than 1 year after
9	the date of enactment of this Act, the Comptroller
10	General of the United States shall submit to the ap-
11	propriate committees of Congress and the Adminis-
12	trator a report that sets forth the analysis, conclu-
13	sions, and recommendations resulting from the study
14	conducted under subsection (b).
15	(2) Contents.—The report submitted under
16	paragraph (1) shall detail the feasibility of the Ad-
17	ministrator establishing, and the processes required
18	for the Administrator to establish, an alternative
19	buyout program, such as the pilot program described

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in subsection (c)(4)(A).